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ABSTRACT

Research was conducted to determine whether Job Training Partnership Act (JTPA) services were being targeted to those most in need, to identify which participants got which services, and to identify associations between characteristics, services, and outcomes. Data were obtained on 5,300 youth from a random sample of 63 service delivery areas. The study focused on out-of-school youth and used analysis similar to an earlier adult study. Among the findings were the following: there was little evidence of targeting services to those with the greatest need; services to out-of-school youth were occupational training for 53 percent of the group, nonoccupational training for 26 percent, and job search assistance only for 21 percent; black male high school graduates were about two-thirds more likely than white male high school graduates to receive job search assistance only and about half as likely to receive training for moderate or higher skill occupations; a similar pattern was found between white and black females, although the differences were not generally as great as for males; the proportions of Hispanics receiving various services were roughly similar to the proportions of whites receiving those services; out-of-school youth often received longer on-the-job training for lower skill jobs than the maximum typically needed for such positions; and over three-fourths of out-of-school youth achieved positive outcomes upon termination from JTPA, with nearly two-thirds placed in jobs and 13 percent in other positive situations such as entering the armed forces, an apprenticeship program, or other schooling. (Nine appendices provide data tables supporting the text; Appendix 10 identifies the major contributors to the report.) (CML)

United States General Accounting Office

GAO

Briefing Report to Congressional Requesters

January 1990

JOB TRAINING PARTNERSHIP ACT

Youth Participant Characteristics, Services, and Outcomes

CE054389

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-215774

January 24, 1990

The Honorable Paul Simon
Chairman, Subcommittee on Employment
and Productivity
Committee on Labor and Human Resources
United States Senate

The Honorable Augustus F. Hawkins
Chairman, Committee on Education and Labor
House of Representatives

The Job Training Partnership Act (JTPA) offers training to economically disadvantaged youth, many of whom lack basic work skills and remain unemployed even as the economy expands and employers encounter a shortage of qualified workers. This report responds to your request for information on youth participating in JTPA programs. Specifically, you asked for information on the characteristics of youth (aged 14 to 21) enrolled under the title II-A component of JTPA, the services they received, and the outcomes they attained. We briefed your staffs on September 18 and 19, 1989, on the preliminary results of our review. At that time, your committees were considering legislation to amend JTPA in order to improve targeting of services to those most in need and create a separate title for youth programs. The Congress is still considering these amendments.

To respond to your request, we analyzed data on a random sample of about 5,000 youth from a nationally representative sample of 63 local JTPA programs. This information was collected in conjunction with our earlier report on services and outcomes for adults participating in JTPA.[1] The results of this study are projectable to all youth participants nationally. As in our study on adults, we identified five factors that make it more likely for participants to experience difficulty in the labor market. These factors were being a dropout, a member of a minority group, on welfare, a single parent with dependent child, or without recent work experience. Generally, the more of these characteristics youth have, the greater are their needs for services to assist them in finding and maintaining employment. We classified youth in our sample into three categories of job readiness using the number of these factors participants had—more job ready (0 or 1 factor), less job ready (3 or more factors), and an intermediate group (2 factors).

[1]Job Training Partnership Act: Services and Outcomes for Participants With Differing Needs (GAO/HRD-89-52, June 9, 1989).

To determine how closely those receiving services compared with those eligible for the program, we used information from the Bureau of the Census' Current Population Survey to classify the eligible youth population into these same job-readiness groups. Also, we classified the jobs for which participants were trained into three groups—lower skill, moderate skill, and higher skill jobs. We analyzed the services that participants received and the outcomes obtained. Finally, we investigated the association between these services and outcomes. We cannot conclude, however, that services alone affect outcomes for program participants because other factors on which data are lacking, such as motivation or other personal attributes, also may contribute to outcomes.

Out-of-school youth—either high school graduates or youth who have dropped out before graduating—were the focus of this report. Out-of-school youth comprise 64 percent of JTPA youth participants, and the services they received and the outcomes they obtained differed significantly from those for in-school youth. JTPA emphasizes attaining employment, and out-of-school youth were more likely to receive occupational training and placement in jobs, an immediate result that can be assessed in relationship to the various kinds of training provided. Because in-school youth were more likely to be in nonoccupational training (including remedial education and short-term work experience), job placement was much less frequent for them.

Overview

Program resources are not being directed to those out-of-school youth who are less job ready and presumably have the greatest need. JTPA appears to serve youth in the three job readiness categories in about the same proportion as their incidence in the eligible population. This is similar to our findings for adult participants in JTPA.

Overall, 66 percent of out-of-school youth were placed in jobs, at an average wage of $4.36 per hour. Placement rates and average wages varied by the kind of services youth received. About half the youth were in occupational training; they were more likely to be placed in jobs, be placed in moderate or higher skill jobs, and receive higher wages than youth in nonoccupational training. About a fourth of the youth were in nonoccupational training; they were more likely to experience such positive outcomes as entering another training program, but less likely than other participants to be placed in jobs. About one-fifth of youth received only job search assistance; their job placement rate was higher, but their wages were lower than the wages of those in occupational training. Both

services and outcomes varied for different demographic groups. In particular, black males were less likely to get occupational training and less likely to get moderate or higher skill jobs. They also tended to get lower wages.

Services Not Targeted to Youth With Greatest Need

JTPA requires that services be provided "to those who can benefit from and who are most in need of" such services but does not further define this requirement. Judging by our criteria for job readiness, although JTPA serves youth with a wide variety of characteristics that may reduce their ability to gain employment, it does not target those most in need.

Among out-of-school youth participants, about 42 percent were school dropouts, 53 percent were minorities, 24 percent were from families receiving AFDC, 15 percent were single parents with a dependent child, and 72 percent lacked recent work experience. As shown in figure 1, the program serves youth with the greatest need for assistance in roughly the same proportion as their representation in the eligible population.

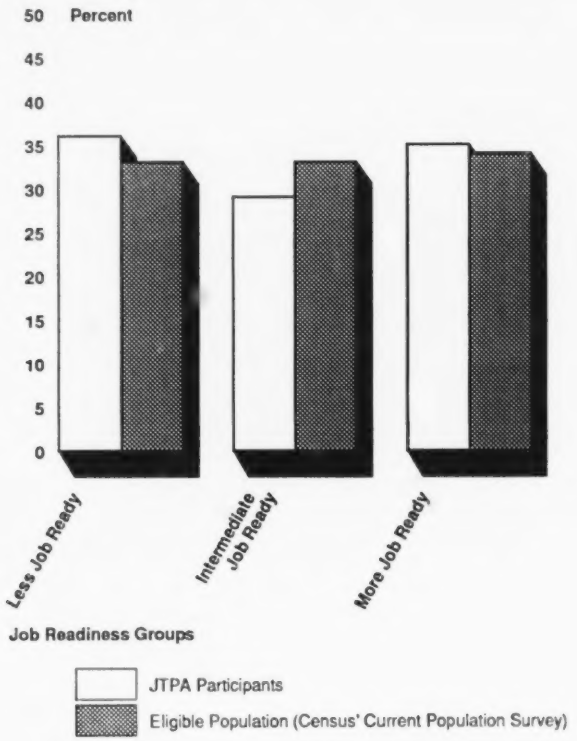
Both houses of Congress have been considering legislation that would encourage, and in some cases require, that local JTPA programs target a higher proportion of their resources to individuals with major barriers to employment. For example, a House proposal would require that 50 percent or more of participants be out-of-school youth, with priority given to dropouts. However, targeting those with single employment barriers would not necessarily improve the targeting of services, as we noted in testimony delivered in June 1989.[2] But setting a standard for the proportion with multiple barriers could result in greater emphasis on serving those most in need.

Youth Receiving Occupational Training Experience Better Placements and Wages

The majority of out-of-school youth received occupational training (including classroom training and on-the-job training). Among those youth receiving occupational training, 69 percent received training for moderate or higher skill jobs—similar to the 72 percent of adults who received such training. About a fourth of out-of-school youth received nonoccupational training—including remedial education and short-term work experience—designed to improve their basic skills. A fifth of out-of-school youth received only job search assistance.

[2]Job Training Partnership Act: Comments on H.R. 2039, The JTPA Amendments of 1989 (GAO/T-HRD-89-32, June 29, 1989).

Figure 1: Comparison of JTPA Participants and Eligible Population



Overall, 79 percent of out-of-school youth either were placed in jobs (66 percent) or had other positive outcomes (13 percent). The average wage for job placements was $4.36 per hour. Those who received occupational training or job search assistance only had a higher placement rate than those who received nonoccupational training, as table 1 shows. Youth who received occupational training were more likely to be placed in moderate or higher skill jobs and have a higher starting wage.

Table 1: Employment Outcomes for Out-of-School Youth by Type of Training

Type of training	Job placements (percents) Total	To moderate or higher skill jobs	Average starting wage
Occupational	70	41	$4.53
Nonoccupational	48	20	4.09
Job search assistance only	77	27	4.18
Overall	66	32	4.36

Many on-the-job-training contracts entered into by local JTPA programs allowed excessive amounts of time for training, particularly for the more job ready youth being trained in lower skill jobs. The Department of Labor suggests a maximum training time of 240 hours for a majority of these lower skill jobs, but actual on-the-job training for these jobs averaged about 340 hours.

Black Males Less Likely to Get Moderate or Higher Skill Training or Jobs

Black males were less likely than others to receive occupational training, particularly for moderate or higher skill jobs. About 18 percent of black males were given moderate or higher skill occupational training, compared with 38 percent of other male participants. Comparisons between black and white male high school graduates, or between black and white male dropouts, show similar disparities in the proportions getting moderate or higher skill training. Although black males were about as likely to be placed in jobs as other male participants, their rate of placement in moderate or higher skill jobs was lower (24 percent) than the rate for other male participants (34 percent). Black males also received lower wages, $4.24 per hour, compared with $4.57 for all other male participants.

As requested, we did not obtain Department of Labor written comments on this report. However, we discussed its contents with Labor officials and have incorporated their comments where appropriate. We are sending copies of this report to the Secretary of Labor; the Director, Office of Management and Budget; and other interested parties.

If you have any questions about the information presented, please call me on (202) 275-1793. Other major contributors to this report are listed in appendix X.

Franklin Frazier

Franklin Frazier
Director, Education and
Employment Issues

Contents

Letter		1
Section 1 Introduction		12
	Background	12
	Objectives, Scope, and Methodology	13
Section 2 Characteristics of Out-of-School JTPA Youth Participants: Little Evidence of Targeting		20
Section 3 Services: Occupational Training Predominates		23
	Different Groups Received Different Services	27
	On-the-Job Training Exceeds Suggested Duration for Many Lower Skill Jobs	30
Section 4 Outcomes: The Majority Are Placed in Jobs		32
	Less Job Ready Did Not Fare as Well as More Job Ready	34
	Outcomes Varied by Services Received	36
	Outcomes Meet JTPA Standards	39
Appendixes		
	Appendix I: Comparison of In-School and Out-of-School JTPA Youth Participants: Characteristics, Services Received, and Outcomes	42
	Appendix II: Labor Market Success of Job Readiness Groups in the Eligible Population	44
	Appendix III: Comparison of Employment Factors and Demographics for Out-of-School JTPA Youth Participants and Eligible Population	45
	Appendix IV: Characteristics of Out-of-School JTPA Youth Participants	46
	Appendix V: Services Provided to Out-of-School JTPA Youth, by Job Readiness and Demographic Groups	48

Appendix VI: Comparison of Characteristics, Services Received, and Outcomes of Out-of-School JTPA Youth Participants by Race and Sex 50
Appendix VII: Positive Terminations for Out-of-School JTPA Youth Participants by Job Readiness and Demographic Groups 51
Appendix VIII: Skill Level of Job Obtained by Skill Level of Training 52
Appendix IX: Data Supporting Figures in Text 53
Appendix X: Major Contributors to This Briefing Report 55

Related GAO Products 56

Tables

Table 1: Employment Outcomes for Out-of-School Youth by Type of Training 5
Table IX.1: Data for Figures 1 and 2.1: Comparison of JTPA and Eligible Population 53
Table IX.2: Data for Figure 3.4: Services Varied for Job Readiness Groups 53
Table IX.3: Data for Figure 3.5: Services Varied for Demographic Groups 53
Table IX.4: Data for Figure 4.2: Outcomes for Job Readiness Groups 53
Table IX.5: Data for Figure 4.4: Outcomes for Different Types of Training 54
Table IX.6: Data for Figure 4.5: Outcomes for Nonoccupational Training 54
Table IX.7: Data for Figure 4.6: Youth in Occupational Training Got Better Jobs 54

Figures

Figure 1: Comparison of JTPA Participants and Eligible Population 4
Figure 1.1: Objectives of Study 14
Figure 1.2: Methodology 15
Figure 1.3: Focus on Out-of-School Youth 16
Figure 1.4: Job Readiness Groups 18
Figure 2.1: Comparison of JTPA and Eligible Population 21
Figure 2.2: Comparison of Out-of-School Youth and Adults 22
Figure 3.1: Services to Out-of-School Youth 24
Figure 3.2: Skill Levels in Occupational Training 25

Figure 3.3: Occupational Training: Most Frequent Jobs 26
Figure 3.4: Services Varied for Job Readiness Groups 27
Figure 3.5: Services Varied for Demographic Groups 29
Figure 3.6: Jobs With Excessive On-the-Job Training 31
Figure 4.1: Employment Outcomes: Overview 33
Figure 4.2: Outcomes for Job Readiness Groups 34
Figure 4.3: Who Got Lower Skill Jobs and Lower Wages? 35
Figure 4.4: Outcomes for Different Types of Training 37
Figure 4.5: Outcomes for Nonoccupational Training 38
Figure 4.6: Youth in Occupational Training Got Better Jobs 39

Abbreviations

JTPA	Job Training Partnership Act
SDA	service delivery area

Introduction

Background

Despite the continued economic expansion and a declining unemployment rate, disadvantaged youth continue to experience high unemployment rates. As we enter the 1990s, it is expected that the skill requirements for jobs will continue to rise and that there will be a shortage of qualified entry workers. Many experts believe that to be economically competitive in international markets we must raise the skill level of our work force. Economically disadvantaged youth have encountered chronic difficulties in getting and keeping jobs that could lift them out of poverty, difficulties often caused by a lack of basic skills or work experience.

The purpose of the Job Training Partnership Act (P.L. 97-300) is to provide job training, placement, and other assistance to economically disadvantaged individuals who need training or other labor market services to obtain employment. It is administered by the Employment and Training Administration within the Department of Labor. Title II-A of the act established the largest single JTPA program to assist disadvantaged adults and youth. Of the approximately $1.9 billion appropriated for this program in 1989, at least 40 percent was to be spent on youth aged 14 through 21. The title II-A program served about 1.1 million youth and adults and had an average enrollment of about 400,000 in 1987, the most recent year for which data are available. Local JTPA programs are operated by service delivery areas (SDAs), which receive funding through their states according to formulas specified in the act.

JTPA was enacted to provide training programs to "economically disadvantaged individuals and other individuals facing serious barriers to employment," but the act provides only general guidance on how the program is to be targeted among this large eligible population. Experts have voiced concern regarding the extent to which program resources are targeted to those facing the most serious employment barriers. The March 1989 report of the Job Training Partnership Act Advisory Committee[1] recommended that the program be targeted more directly to disadvantaged persons who have serious skills deficiencies or are welfare recipients. Also, legislation was introduced and considered in both houses of Congress that would encourage and, in some cases, require that SDAs seek to target a higher proportion of their resources to participants facing specific barriers.

[1]The JTPA Advisory Committee's report was issued in response to a request from the Secretary of Labor asking leaders of the job training community to assess their experience with JTPA and contribute to future job training policy formulation.

For example, a House proposal would require that 50 percent or more of youth participants be out-of-school youth, with priority given to dropouts. In June 1989 testimony on this proposal, we pointed out that using single employment barriers to target would not significantly change the mix of participants (for example, out-of-school youth already comprise 64 percent of participants). We noted that using multiple barriers (for example, requiring that a proportion of participants have at least two barriers, such as being on welfare and a school dropout) could result in greater emphasis on serving those most in need.

In our earlier report[2] on adult participants, we also raised questions about the nature of services provided. We recommended that the Department of Labor increase JTPA's emphasis on moderate and higher skill occupational training and collect data necessary to measure differences in program outcomes associated with such training.

Objectives, Scope, and Methodology

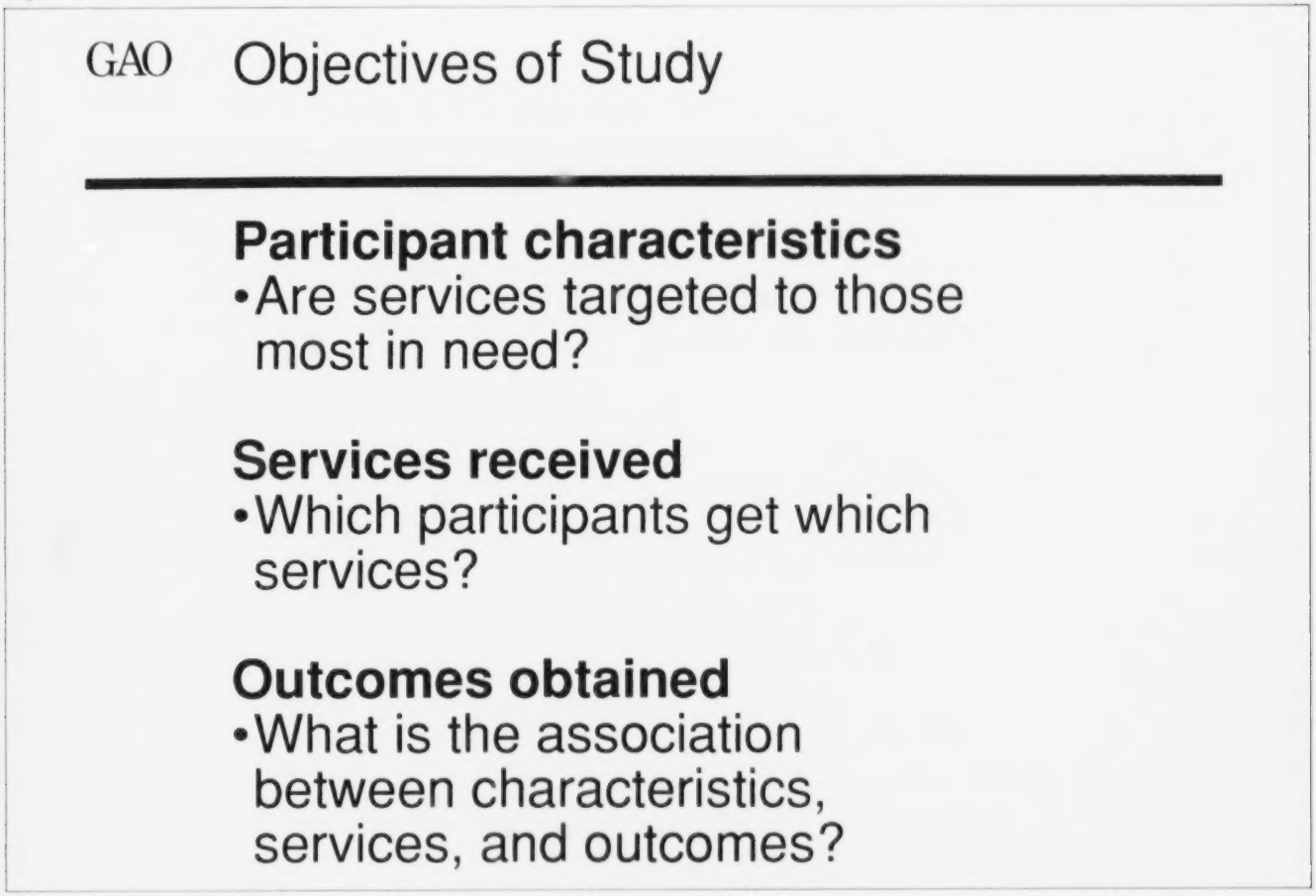
This report was requested by the House Committee on Education and Labor and the Subcommittee on Employment and Productivity, Senate Committee on Labor and Human Resources, who asked that we analyze the characteristics, services, and outcomes associated with youth participating in JTPA. To complete this study, we compared the characteristics of participants in JTPA with those in the eligible population to determine whether JTPA targets those who are more likely to have difficulty gaining employment (see fig. 1.1). We also reviewed the type of services youth received, and the association between those services and the outcomes youth attained. This report includes some comparisons between out-of-school JTPA youth participants and adult participants.

We used the same data base on program participants that we developed for our report on adult participants, this time selecting the data on youth for our analysis. For the adult report, we had developed our own comprehensive participant and program data, because the information we needed was either not in Labor's data collection system or lacking in sufficient detail. Our information allowed us to generalize our findings to participants and the national program.[3]

[2]Job Training Partnership Act: Services and Outcomes for Participants With Differing Needs (GAO/HRD-89-52, June 9, 1989).

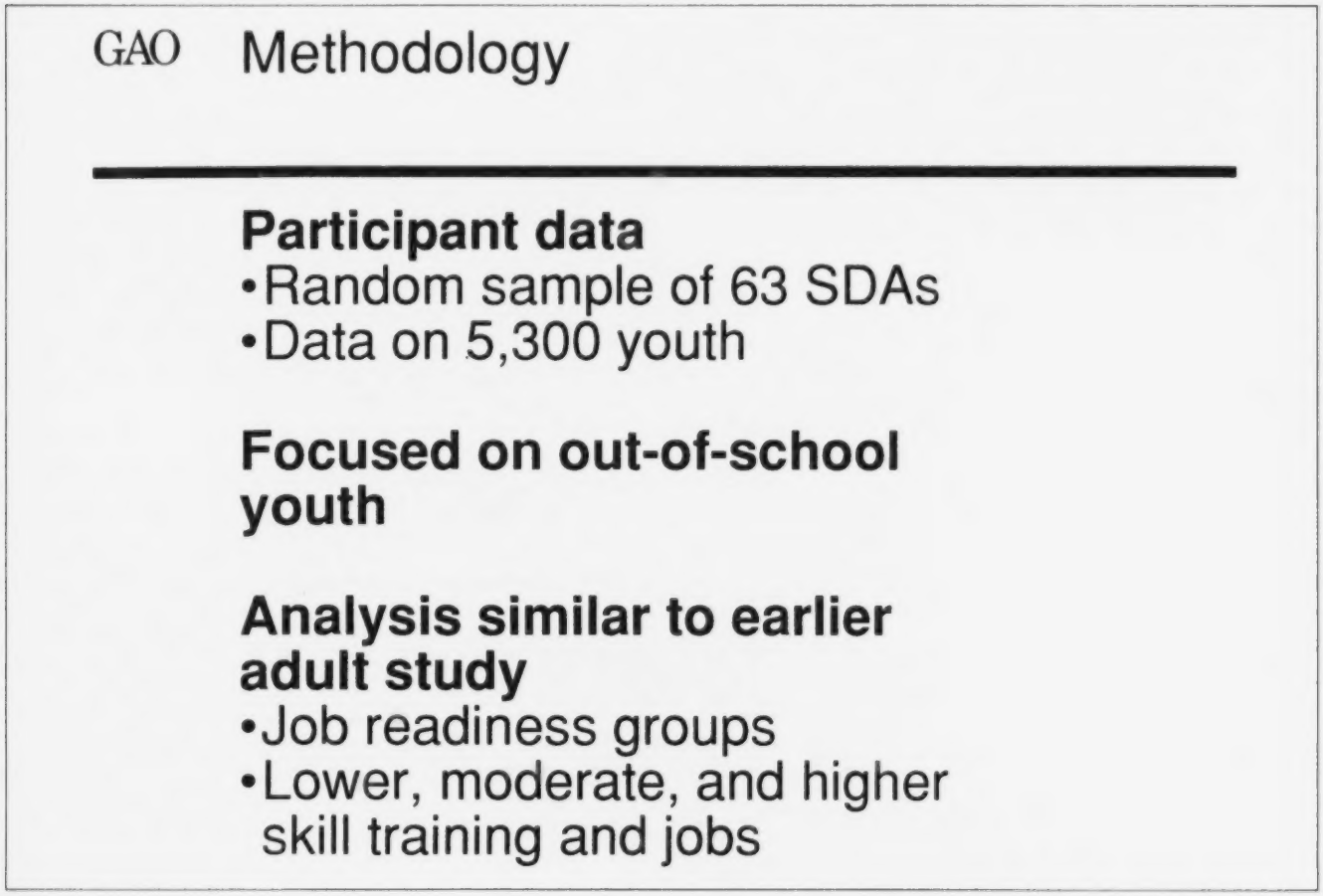
[3]The differences in participant characteristics, services, and outcomes noted in the text are statistically significant unless stated otherwise.

Figure 1.1


GAO
Objectives of Study
Participant characteristics
•Are services targeted to those most in need?
Services received
•Which participants get which services?
Outcomes obtained
•What is the association between characteristics, services, and outcomes?

We first stratified SDAs into three groups according to the number of participants who had terminated (left the JTPA program for any reason, including job placement, dropping out, or entering another training program) during program year 1984 (July 1, 1984, to June 30, 1985). We randomly selected 63 SDAs from the three strata, limiting the SDAs in our universe to those within the 48 contiguous states that had at least 100 of both adult and youth terminees during program year 1984. During a visit to each of the 63 SDAs, we randomly selected between 150 and 182 adult and youth participants, depending on program size, from among those who had terminated from the program during program year 1985. Data for 5,467 adults and 5,325 youth were collected (see fig. 1.2). The data on adults were used for our June 1989 report.

Figure 1.2

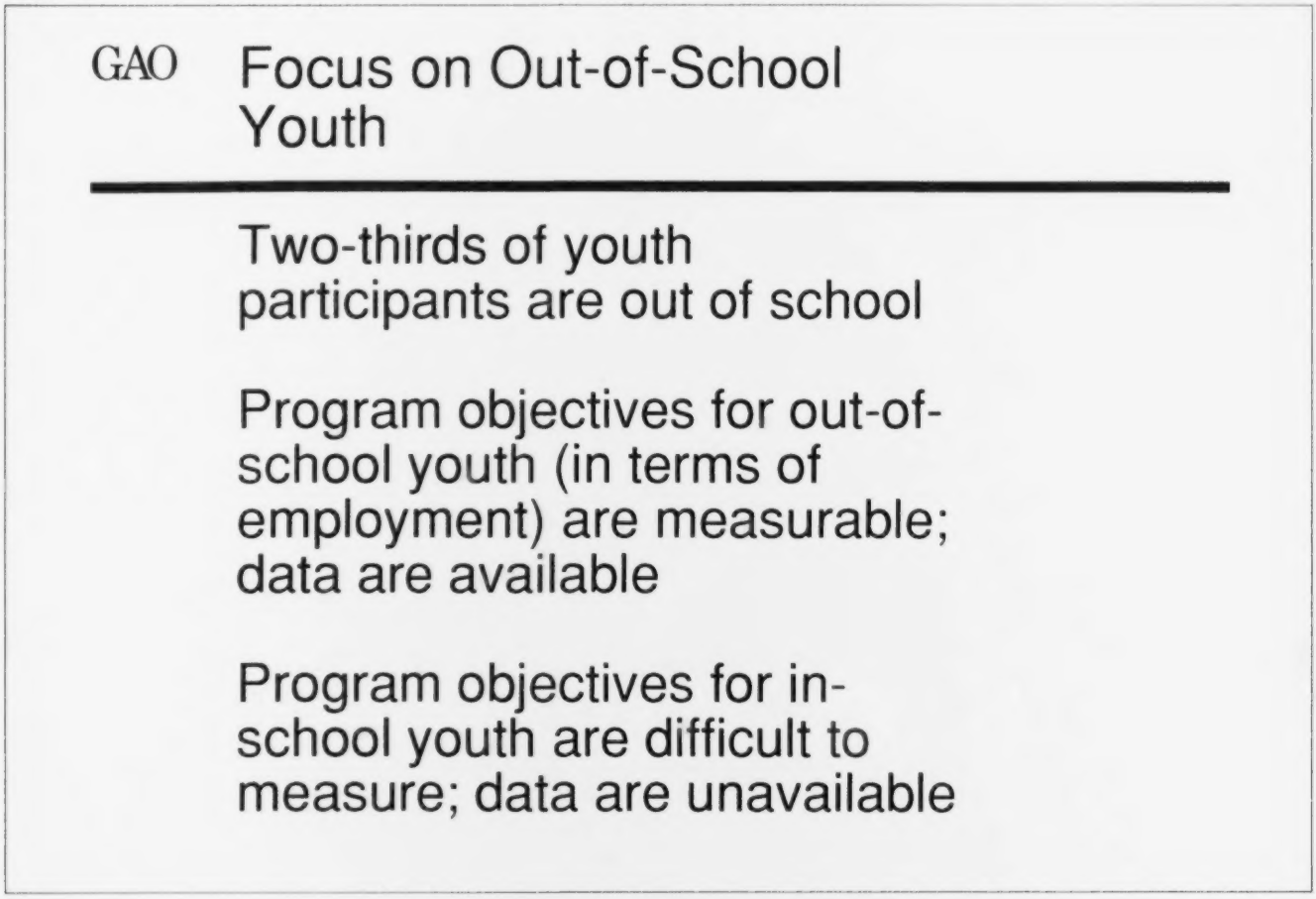

GAO Methodology
Participant data
•Random sample of 63 SDAs
•Data on 5,300 youth
Focused on out-of-school youth
Analysis similar to earlier adult study
•Job readiness groups
•Lower, moderate, and higher skill training and jobs

This study of youth participants parallels our adult analysis in the development of job readiness groups and job skill categories. We discussed our methodology with several experts and local SDA officials.

Report Focuses on Out-of-School Youth

This report focuses on out-of-school youth—youth who have either graduated from high school or dropped out before graduation—who comprise nearly two-thirds (64 percent) of the youth participants in our sample. Individual program goals generally differ depending on whether a youth is enrolled in school or not, and more information is available to assess program outcomes for out-of-school youth. For these youth, programs emphasize preparation for employment; SDAs collect data on whether youth find employment, what types of jobs they obtain, and

Figure 1.3


GAO
Focus on Out-of-School Youth
Two-thirds of youth participants are out of school
Program objectives for out-of-school youth (in terms of employment) are measurable; data are available
Program objectives for in-school youth are difficult to measure; data are unavailable

their wage levels (see fig. 1.3). In-school youth are more likely to be in nonoccupational training (including remedial education and short-term work experience) and job placement is a less likely program outcome for them; assessing other outcomes is difficult because often SDAs have information only on whether the youth completed the prescribed program.[4]

[4]Information on both in-school and out-of-school youth—their characteristics, services received, and outcomes—is provided in app. I.

Out-of-School Youth Grouped by Job Readiness

To determine how well JTPA was serving youth with the greatest need for assistance in obtaining employment, we classified out-of-school JTPA youth participants by the number of characteristics associated with difficulty in the labor market they had. We relied on previous research (including our review of JTPA adult participants), expert opinion, and our own multiple regression analyses of the Bureau of the Census' Current Population Survey data to identify the socioeconomic and labor market characteristics associated with difficulty in finding and maintaining employment.

We identified five major factors associated with difficulty in the labor market:

- Receiving welfare.
- Having dropped out of school.
- Being a single parent with dependent child.
- Being a member of a minority group.
- Lacking recent work experience.

Youth who had three or more of these factors were categorized as less job ready, and thus more in need of JTPA services. Youth who had two factors were classified as intermediate in job readiness, and youth with none or one factor were designated as more job ready (see fig. 1.4). Using these criteria, we classified 36 percent of the out-of-school youth as less job ready, 35 percent as more job ready, and 29 percent as intermediate.[5]

Although we used the same characteristics to classify youth into job readiness groups that we used in our report on adult participants, we modified the way we counted these factors to create job readiness groups. The most important modification pertained to work experience. For our report on adults, recent work experience was a strong indicator of labor market success, and we weighted it more heavily than the other characteristics. Recent work experience is not as crucial for youth, as youth who have left school recently may have had little opportunity to gain work experience. Therefore, we gave no extra weight to this factor.[6]

[5]App. I summarizes the extent to which youth classified into each of the three job readiness groups had the five different factors associated with difficulty in the labor market.

[6]We also made two minor adjustments. We counted male single parents with a dependent child as well as females, and we included all minorities, specifically youth who were Asian, Indian, or "other," among those who might have difficulty in the labor market because they were minorities.

Figure 1.4

Validating the Job Readiness Classifications

To validate our definition of job readiness categories, we analyzed the actual experience of youth represented in the Current Population Survey. We used the survey's matched data files to track individuals' characteristics and employment over a 2-year period.[7] Using criteria similar to those we used with our JTPA sample, we:

[7]Current Population Survey data were collected for some individuals in 1983 and 1984 and for some in 1984 and 1985. Using these data we were able to compare individual youth employment for two years. For some we compared 1983 to 1984, and for others we compared 1984 to 1985.

- determined the extent of the factors associated with difficulty in the labor market among eligible out-of-school youth in the first year of the matched files (1983-84),
- assigned these youth to the three job readiness groups, and
- looked at the annual earnings and number of weeks these youth worked in the second year of the matched data files (1984-85).

Those whom we classified as more job ready in the first year fared better in the labor market in the second year than those we deemed less job ready.[8]

Approach to Data Analysis and Limitations

Because the jobs for which JTPA participants received occupational training varied widely, as did the jobs participants obtained at termination, we employed a classification scheme to characterize the skill level of jobs. With assistance from Bureau of Labor Statistics officials, we classified each job as being a lower, moderate, or higher skill level position. We then used the classifications in analyzing the skill level for which participants received occupational training and the skill level of jobs they obtained.

The unavailability of follow-up information on most participants prevents us from determining whether participants who were employed at termination maintained that status, or whether other participants later found jobs. Because there is no control group (a group of similar individuals not enrolled in JTPA) we could not conclude definitively that participants' outcomes were the result of JTPA services rather than other factors, such as motivation or other personal attributes, unrelated to their participation in JTPA. Moreover, because it is not feasible to randomly assign participants to specific types of training, we cannot say with certainty that the training, per se, is a major factor determining participants' outcomes.

Our audit was conducted in accordance with generally accepted government auditing standards.

[8]App. II shows the earnings and weeks worked in each year for each job readiness group in the eligible population.

Characteristics of Out-of-School JTPA Youth Participants: Little Evidence of Targeting

A comparison of the JTPA out-of-school youth sample and the eligible population indicates that there is little targeting of services to those with the greatest need—the less job ready. But there is also little evidence that JTPA is "creaming" by serving a disproportionately high number of those who have less need—the more job ready. We reported similar observations in our earlier report on adult participants. As figure 2.1 illustrates, JTPA serves youth who are less job ready and those who are more job ready in roughly the same proportion as their incidence in the population.

Among the JTPA youth participants, about two-thirds were out-of-school. More than half of these out-of-school youth were minority members, nearly half were school dropouts, and most lacked recent work experience (see fig. 2.2).[1] Out-of-school youth on average were 19 years old, compared with 30 years for adult participants.

Among out-of-school youth, males were more likely than females to be white or dropouts, while females were more likely to be minority members, single parents with dependent children, high school graduates, or on welfare. Younger out-of-school youth, those aged 15 to 17, were more likely than youth aged 18 to 21 to be dropouts and to lack recent work experience.[2]

Out-of-school youth participants were roughly similar to in-school youth in several characteristics, including welfare recipiency, minority status, and gender. Out-of-school youth were older on average than in-school youth, and a higher proportion were single parents with dependent children or had recent work experience.[3]

[1]The characteristics of JTPA out-of-school youth participants, the eligible population, and job readiness groups are compared in app. III.

[2]Detailed information on the characteristics of out-of-school youth appears in app. IV.

[3]App. I compares the characteristics of in-school and out-of-school youth.

Figure 2.1

GAO Comparison of JTPA and Eligible Population

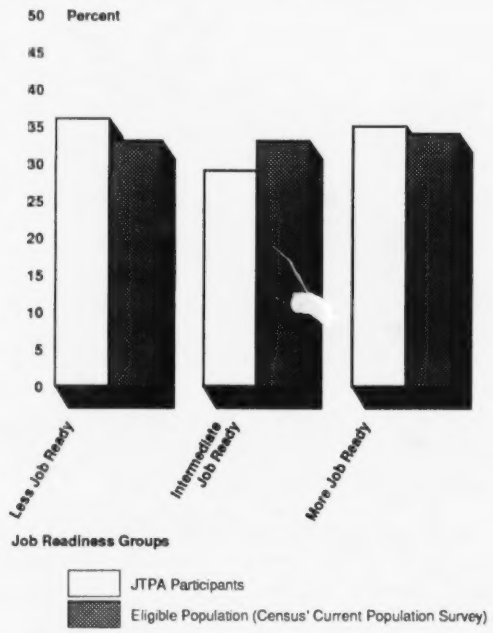
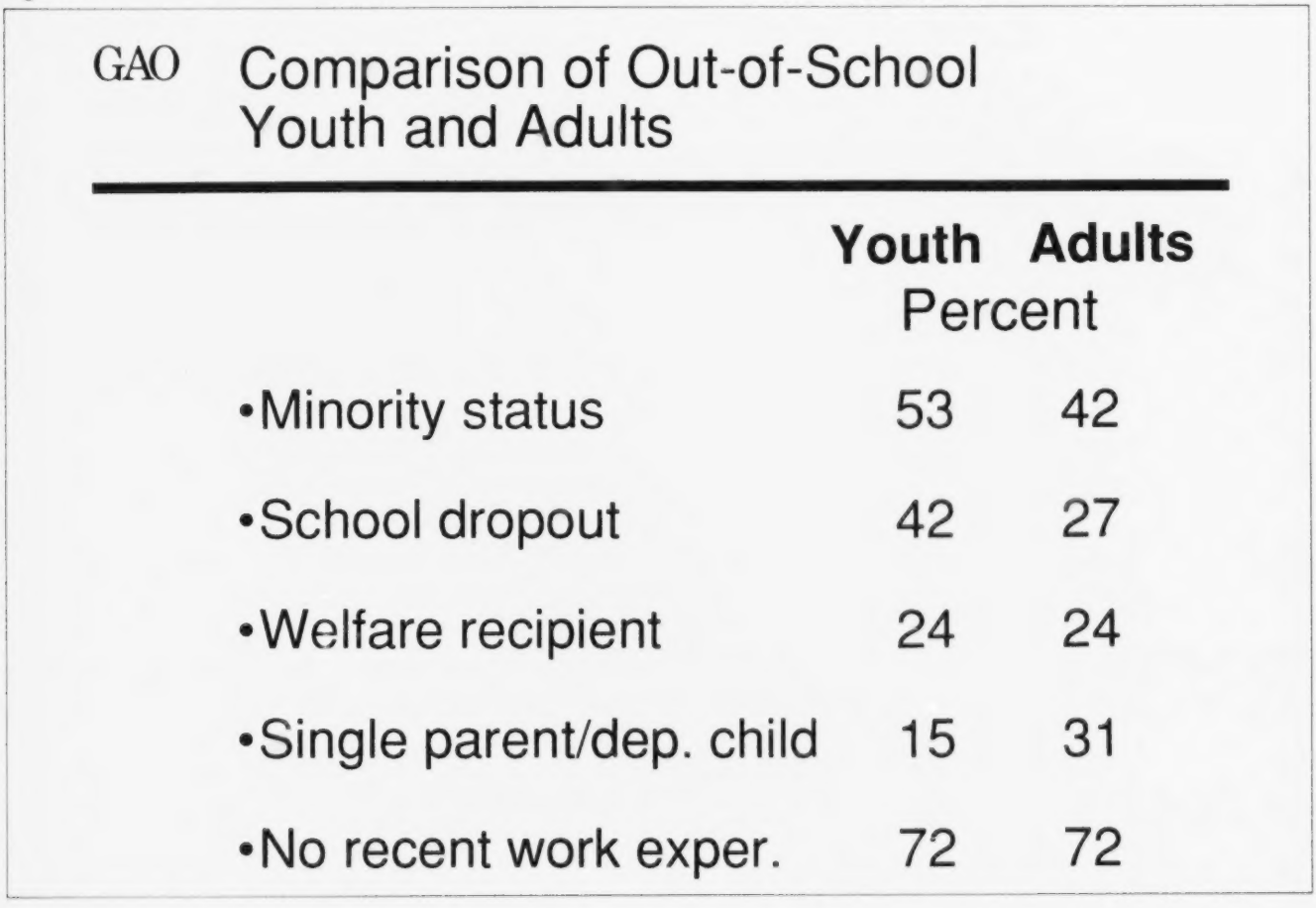


Figure 2.2


GAO
Comparison of Out-of-School Youth and Adults
Youth
Adults
Percent
•Minority status
53
42
•School dropout
42
27
•Welfare recipient
24
24
•Single parent/dep. child
15
31
•No recent work exper.
72
72

Services: Occupational Training Predominates

About half of the out-of-school JTPA youth participants received occupational training, a majority of which was for moderate or higher skill occupations. A fourth of the out-of-school youth received nonoccupational training, and about a fifth got job search assistance only (see figs. 3.1 and 3.2).[1] Among adults, the extent of occupational training was greater (nearly two-thirds), and fewer adults received nonoccupational training (less than a tenth). Certain groups of youth, particularly the less job ready, those aged 15 to 17, dropouts, and black males, were more likely to get nonoccupational training and less likely to get moderate or higher skill occupational training than the average for all participants. Nonoccupational training may be the more appropriate assistance for dropouts. As with adults, youth, particularly the more job ready, were often given on-the-job training in lower skill jobs for periods exceeding the length of time usually required for such jobs.

Of the three major categories of services to youth—job search assistance, occupational training, and nonoccupational training —job search assistance is usually the shortest in duration. It usually consists of short-term counseling and training in how to look for employment.

[1]Training for in-school youth differed, with about 75 percent participating in nonoccupational training, particularly exemplary youth programs. Information on services to in-school youth appears in app. I.

Figure 3.1

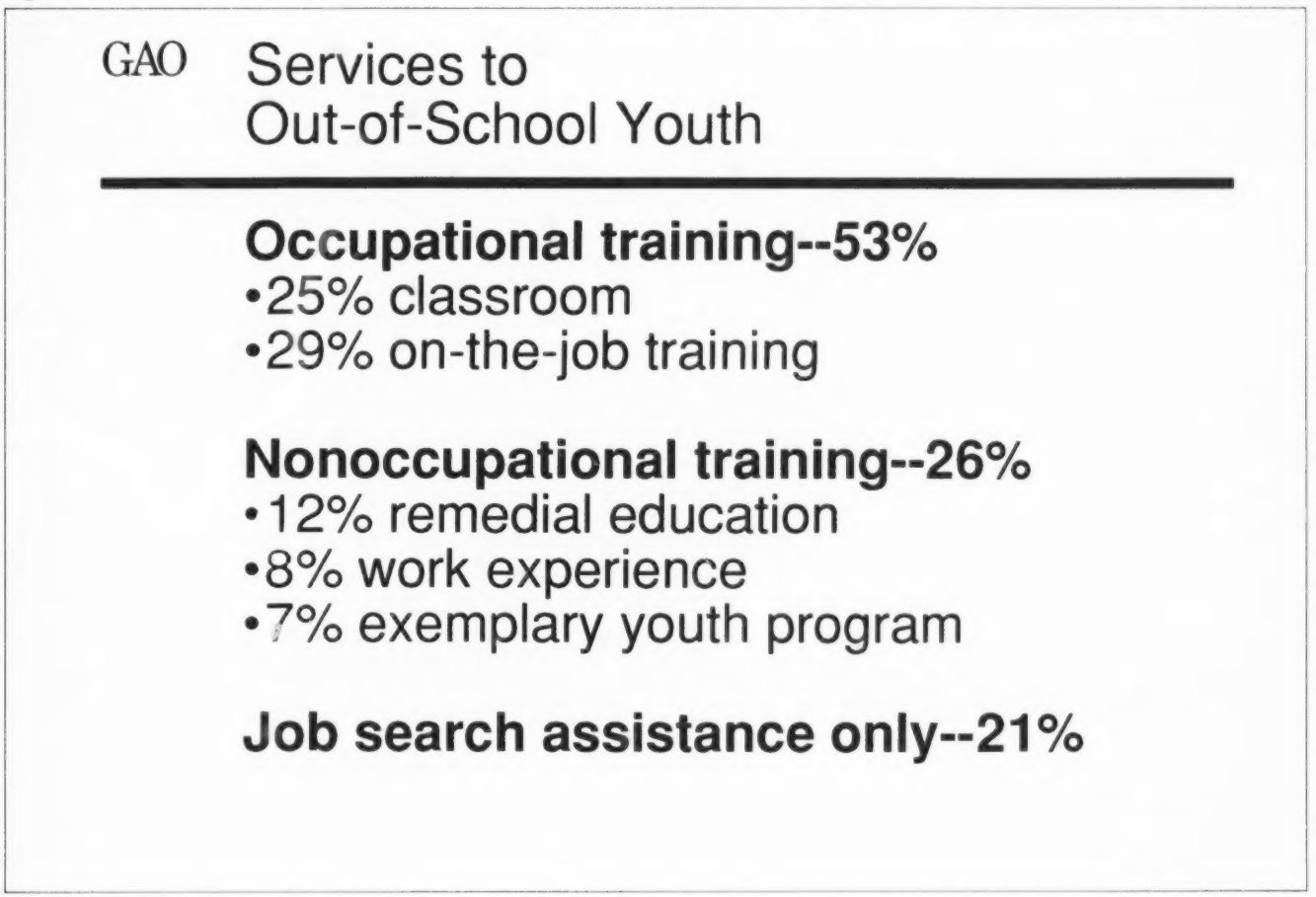

GAO
Services to
Out-of-School Youth
Occupational training--53%
•25% classroom
•29% on-the-job training
Nonoccupational training--26%
•12% remedial education
•8% work experience
•7% exemplary youth program
Job search assistance only--21%

Figure 3.2

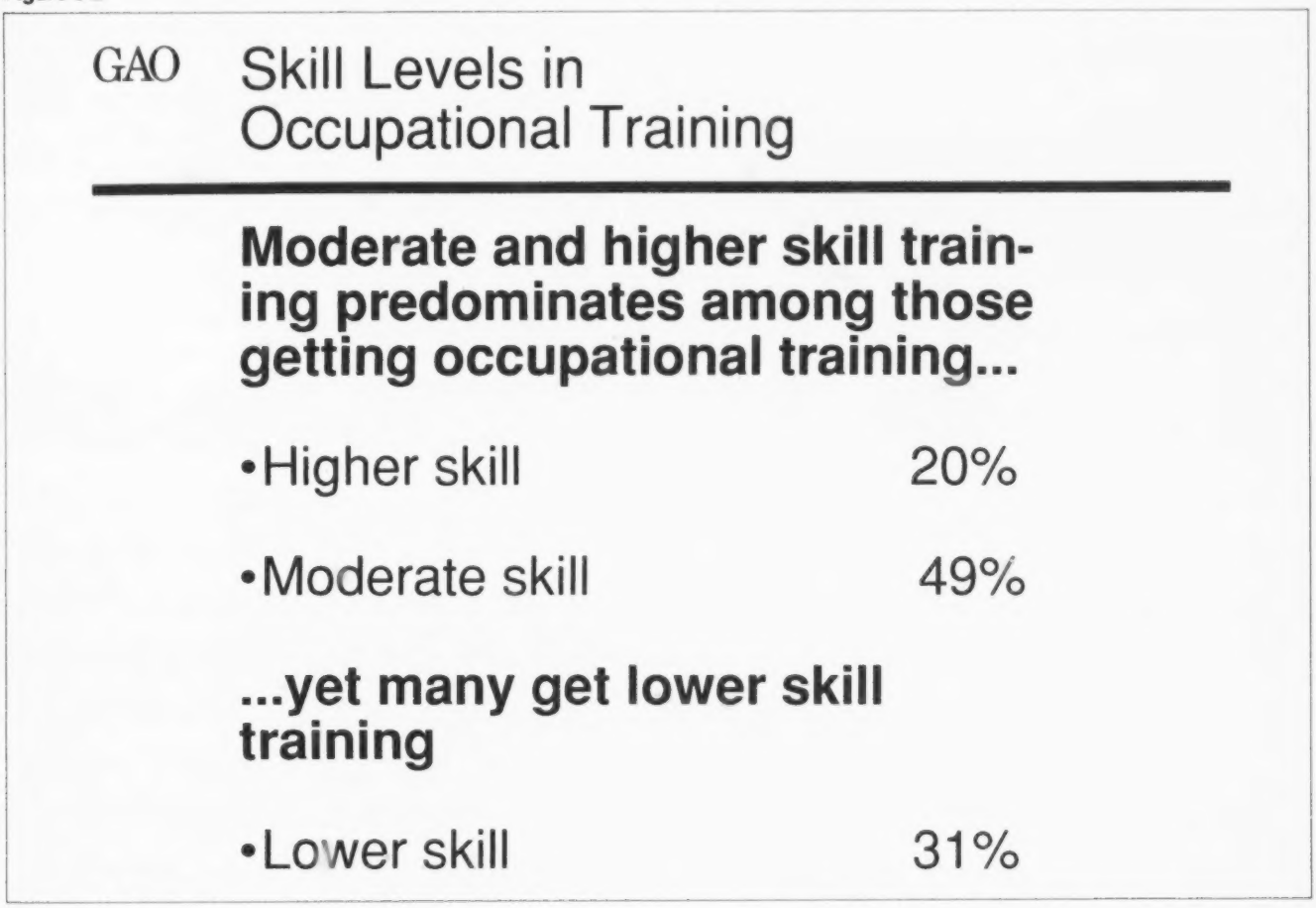
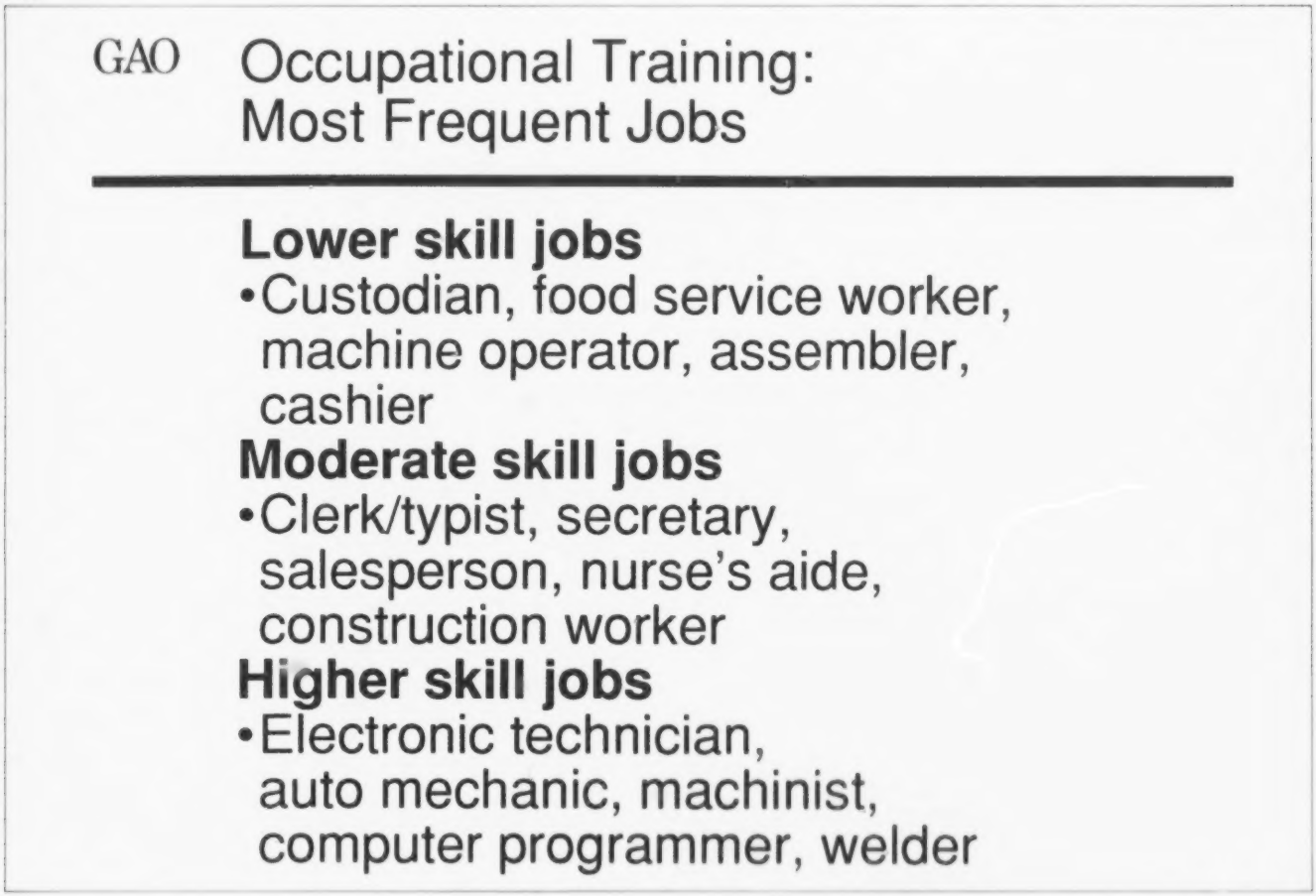

GAO
Skill Levels in Occupational Training
Moderate and higher skill training predominates among those getting occupational training...
•Higher skill 20%
•Moderate skill 49%
...yet many get lower skill training
•Lower skill 31%

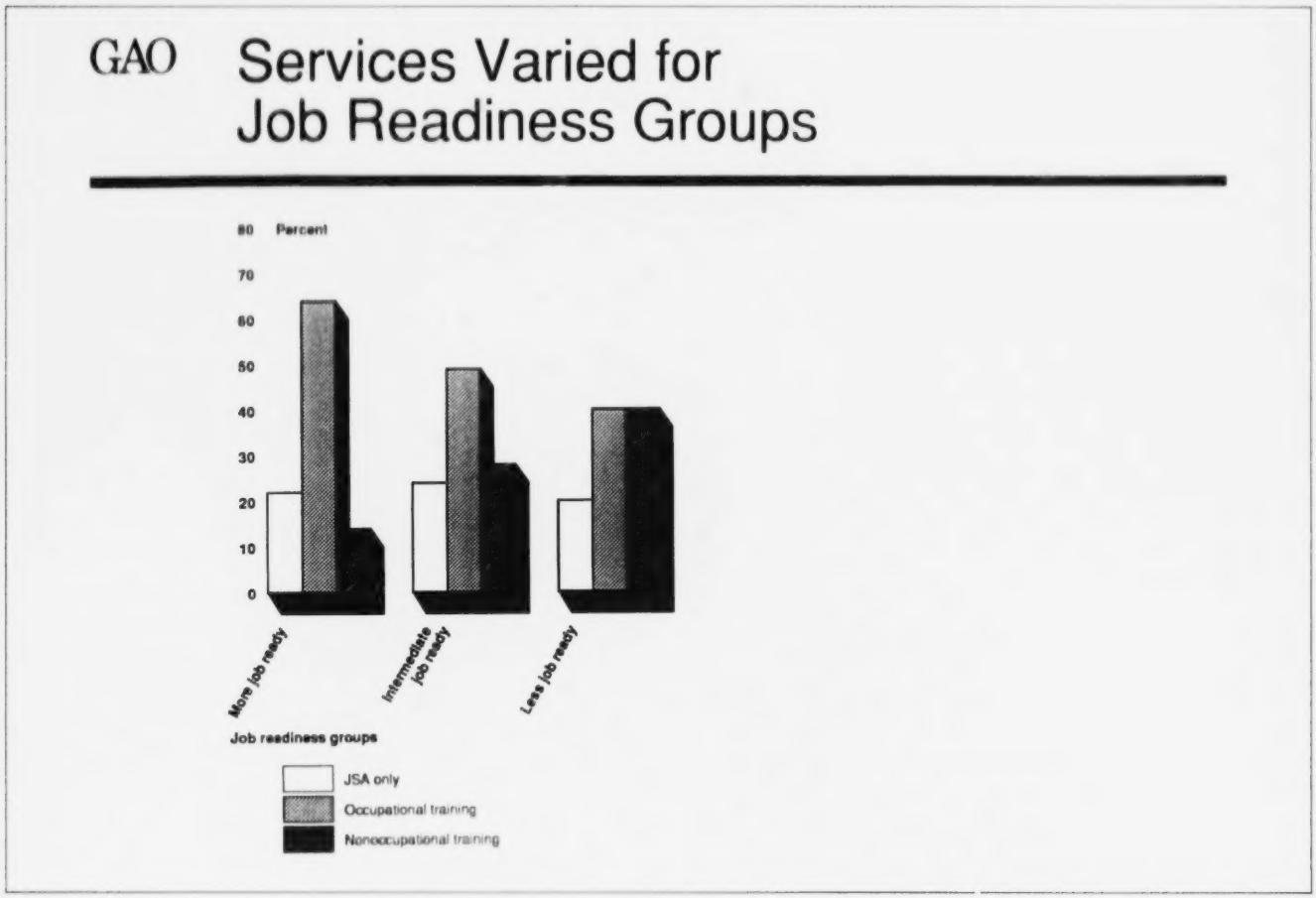
Figure 3.3


GAO
Occupational Training:
Most Frequent Jobs
Lower skill jobs
•Custodian, food service worker, machine operator, assembler, cashier
Moderate skill jobs
•Clerk/typist, secretary, salesperson, nurse's aide, construction worker
Higher skill jobs
•Electronic technician, auto mechanic, machinist, computer programmer, welder

Occupational training, which may take place either in the classroom or on the job, gives youth training for specific jobs (see fig. 3.3). JTPA funds may be used to subsidize on-the-job training through payments to employers that may average up to one-half the total of the wages paid to youth participants.

Nonoccupational training is of three types—remedial education, work experience, and exemplary youth programs—each designed to address participants' needs for basic work or classroom skills. Remedial education emphasizes basic literacy and math. Work experience is typically short-term or part-time work designed to teach good work habits. Exemplary youth programs may incorporate remedial education, work experi-

Figure 3.4



ence, and/or job search assistance in an "education for employment" program targeted to dropouts or those with educational deficiencies. Occasionally youth received occupational training in addition to nonoccupational training, and a few had two types of nonoccupational training or both types of occupational training.

Different Groups Received Different Services

Youth who were classified as more job ready were more likely to receive occupational training, often for moderate or higher skill jobs, than were the less job ready. In contrast, those classified as less job ready were more likely to be enrolled in nonoccupational training (see fig. 3.4).

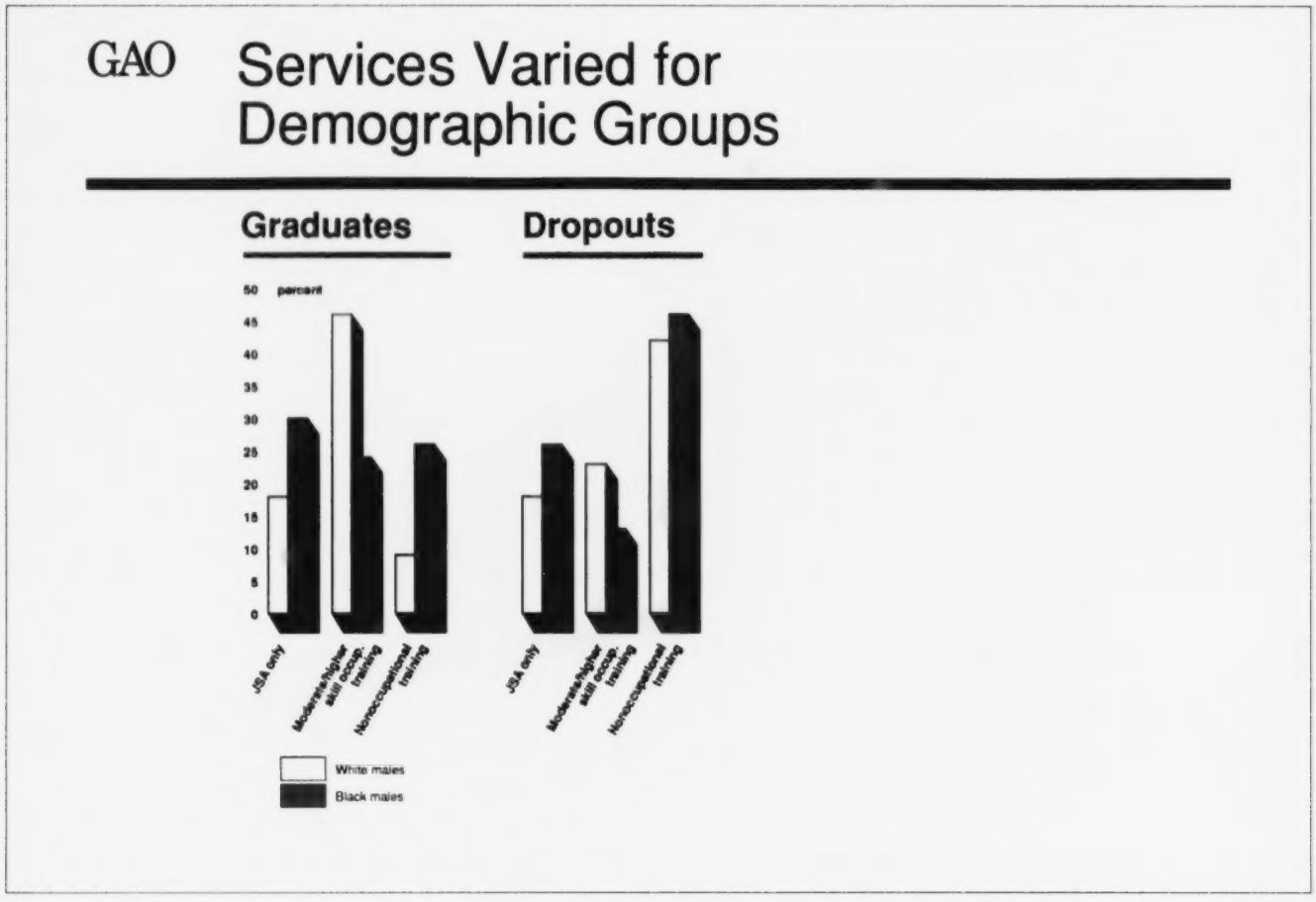
Dropouts and youth aged 15 to 17, many of whom were classified as less job ready, were also more likely to receive nonoccupational training than youth who were older or high school graduates. Dropouts and youth aged 15 to 17 were less likely to get occupational training, including moderate or higher skill training. Nonoccupational training, especially remedial education or exemplary youth programs, is likely to be beneficial for dropouts, as they tend to lack the basic literacy skills necessary for training or placement in any jobs except those with lower skill requirements. About a third of school dropouts were enrolled in remedial education or in exemplary youth programs. Dropouts may be in a position to benefit more from occupational training when it is accompanied by either remedial education or participation in exemplary youth programs. About 2 percent of all out-of-school youth were enrolled in either exemplary youth programs or remedial education and also in occupational training.[2]

Blacks, particularly black males, were more likely to receive either nonoccupational training or job search assistance only, and less likely to be enrolled in moderate or higher skill occupational training than others. About 36 percent of black males were given occupational training, with 18 percent in moderate or higher skill training. Among other male participants, 60 percent were given occupational training, with 38 percent in moderate or higher skill training.

Comparisons between blacks and others in the same job readiness groups, between black high school graduates and white high school graduates, or between black dropouts and white dropouts also show differences in types of training. For example, black male high school graduates were about two-thirds more likely than white male high school graduates to receive job search assistance only, and about half as likely

[2]Detailed information on services to job readiness groups and other demographic groups appears in app. V.

Figure 3.5



to receive training for moderate or higher skill occupations (see fig. 3.5). Comparisons between white and black females reveal a similar pattern, although the differences are not generally as great as for males.[3] The proportions of Hispanics receiving various services were roughly similar to the proportions of whites receiving those services.[4]

[3]Information on services to black and white female high school graduates and dropouts is included in app. IX along with the data supporting fig. 3.5.

[4]App. VI provides detailed information on services to white, black, and Hispanic males and females.

On-the-Job Training Exceeds Suggested Duration for Many Lower Skill Jobs

As with adults, out-of-school youth, particularly the more job ready, often received longer on-the-job training for lower skill jobs than the maximum typically needed for such positions (see fig. 3.6). For all lower skill jobs, on-the-job training averaged 356 hours, or nearly 9 weeks at 40 hours per week. Yet the majority of those jobs usually required no more than 240 hours of training, according to Department of Labor information on duration of vocational preparation.[5] Our analysis showed that the average time spent in training for those jobs requiring no more than 240 hours was 341 hours, and nearly half of the youth receiving training for these jobs were trained for longer than 240 hours. The excessive times were concentrated generally among the more job ready. Over 60 percent of those receiving excessively long on-the-job training for lower skill jobs were more job ready, and about 11 percent were less job ready. Extra training time might be justified for those who are less prepared for employment or who have other problems. In many cases, however, the extra training time appeared to be providing excessive wage subsidies to employers.

[5]Labor classifies occupations according to the typical length of training time. Most lower skill jobs are in the category for jobs needing from a few hours up to 30 days of training. Because it was not possible to determine which of the jobs within this category require fewer than 30 days, we used the 30-day (240-hour) maximum as the standard.

Figure 3.6

GAO

Jobs With Excessive On-the-Job Training

Job	Average hours for contracts	Hours in excess of 240 maximum
Assembler	391	151
Laborer	428	188
Landscaper	422	182
Custodian	413	173
Packer/wrapper	338	98

Outcomes: The Majority Are Placed in Jobs

Over three-fourths of out-of-school youth achieved positive outcomes upon termination from JTPA—nearly two-thirds were placed in jobs, and 13 percent more left for other positive reasons. The latter included attaining youth competencies;[1] completing a specific part of their education; or entering other training, the armed forces, an apprenticeship program, or other schooling. In comparison, 72 percent of adults were placed in jobs, with an additional 5 percent terminating for other positive reasons. Less job ready youth did not fare as well as those who were more job ready.

As was the case for adults, in each job readiness group most youth who received moderate or higher skill occupational training and were placed in jobs tended to get moderate or higher skill jobs. In general, youth who received nonoccupational training were about as likely as other youth to achieve positive outcomes. These outcomes were more likely to be termination for other positive reasons, and less likely to be for employment.

Among out-of-school youth placed in jobs, 79 percent were placed in full-time positions. The average wage for all those placed was $4.36 per hour, with about half placed in lower skill occupations, and the other half placed in moderate or higher skill occupations (see fig. 4.1). In comparison, adults averaged $4.96 per hour for those placed in jobs, and about 59 percent of those jobs were in moderate or higher skill occupations.

[1] Youth competencies are skills that improve employability. These competencies are determined by the local program and include a variety of skills, such as typing, remedial education, or career planning.

Figure 4.1

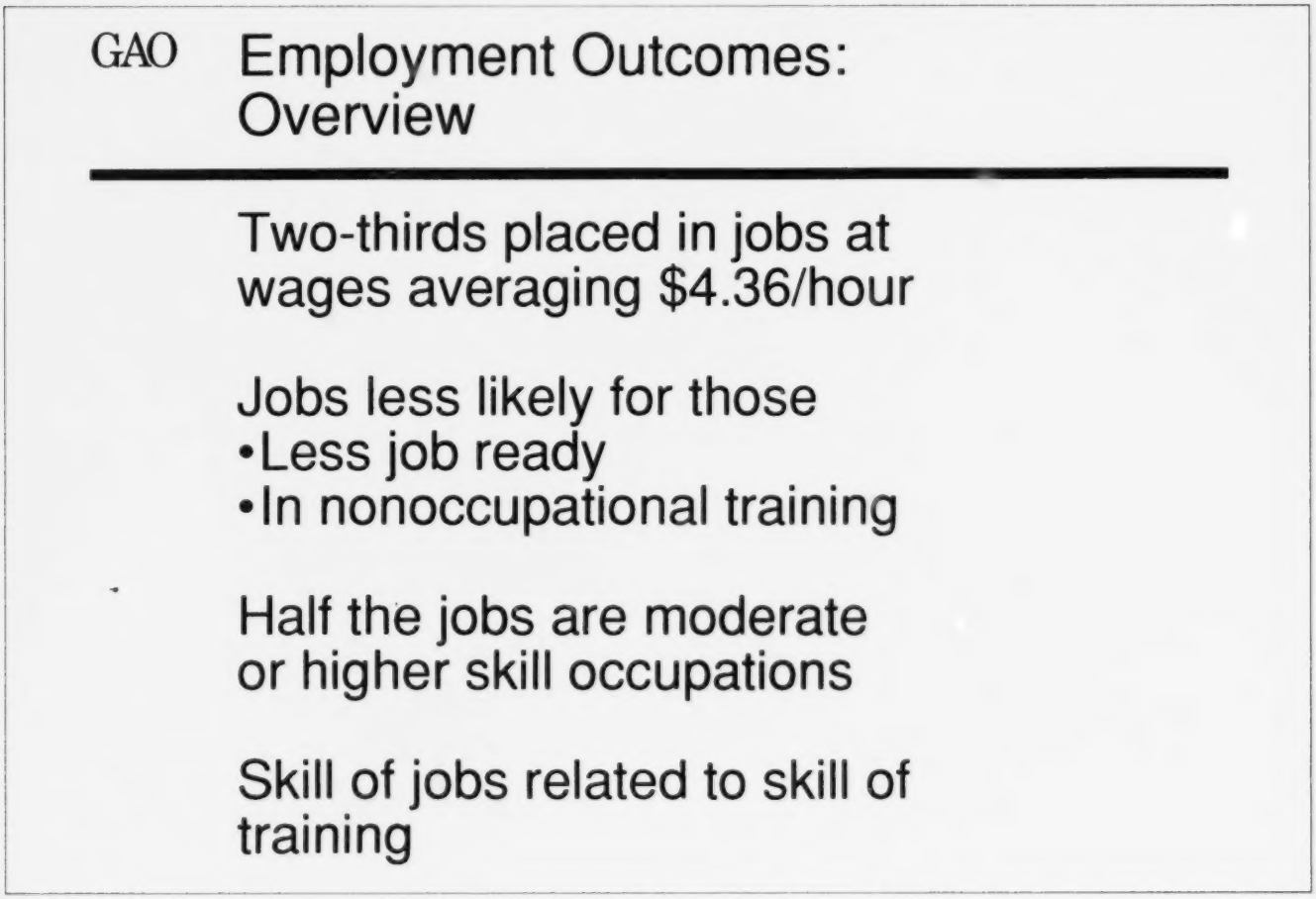
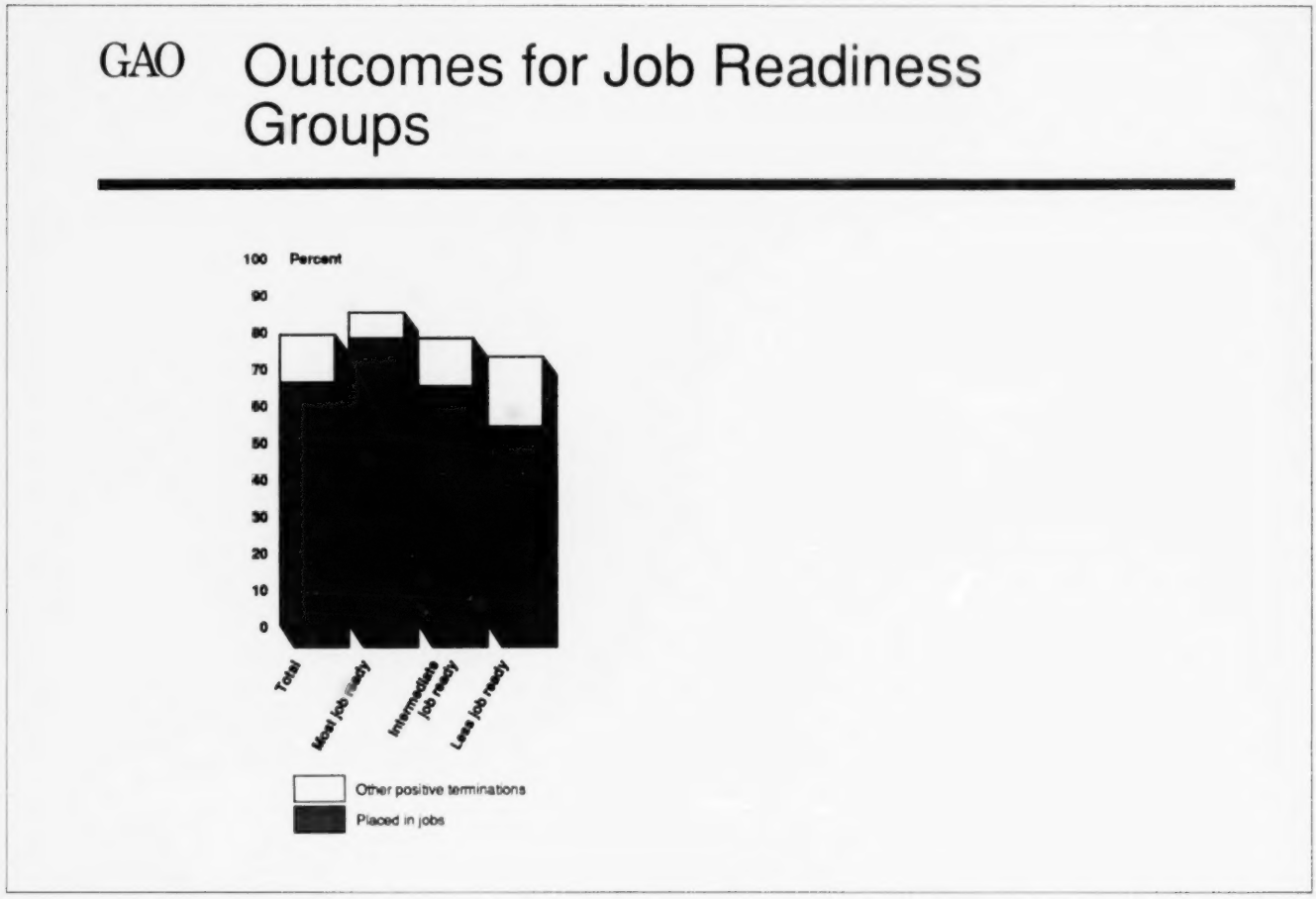

GAO
Employment Outcomes: Overview
Two-thirds placed in jobs at wages averaging $4.36/hour
Jobs less likely for those
•Less job ready
•In nonoccupational training
Half the jobs are moderate or higher skill occupations
Skill of jobs related to skill of training

Figure 4.2

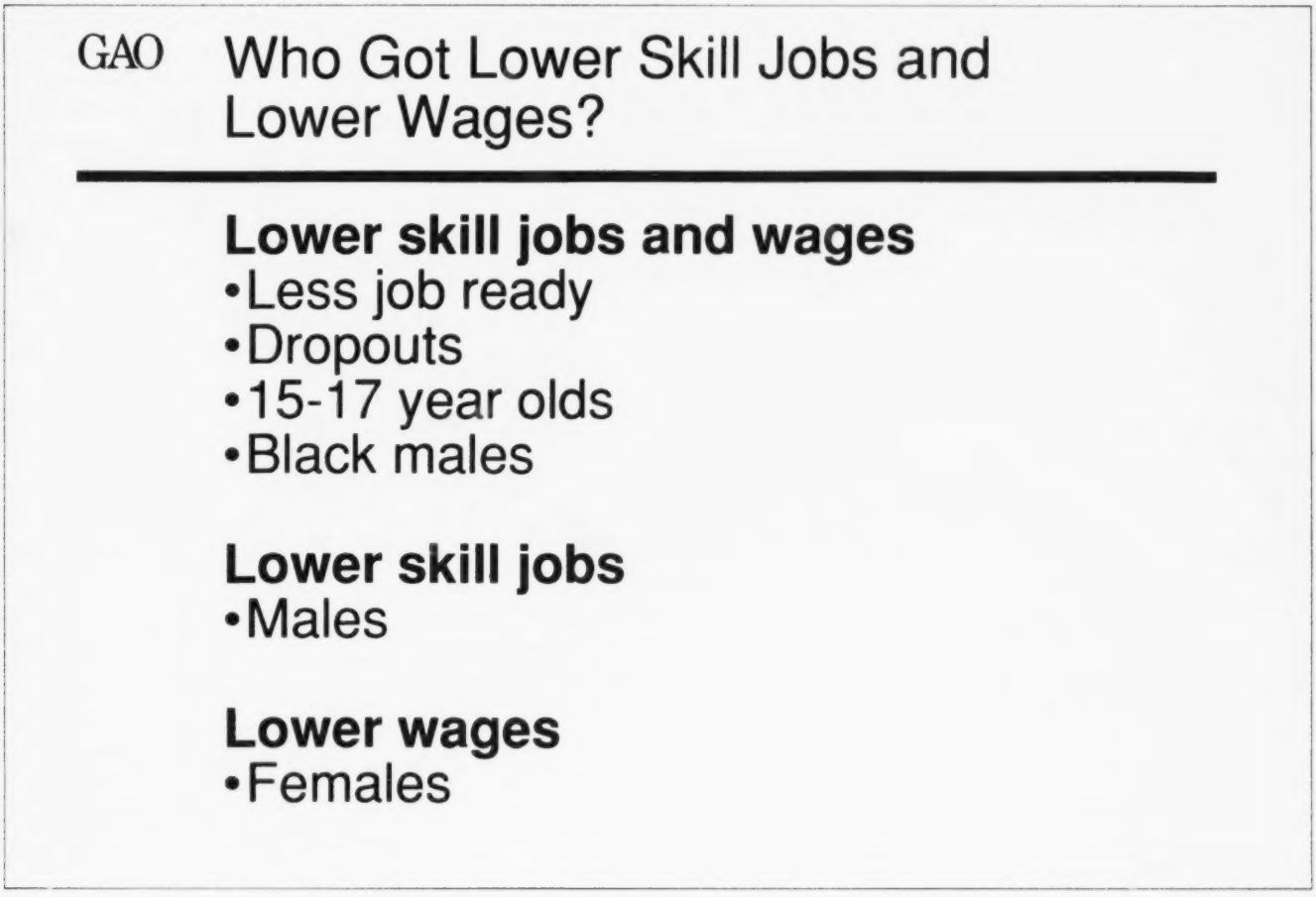


Less Job Ready Did Not Fare as Well as More Job Ready

Overall, 72 percent of less job ready youth participants experienced positive outcomes, compared with 84 percent of the more job ready. The less job ready were more likely to experience other positive outcomes, such as completing youth competencies, but less likely to obtain jobs (54 percent) compared with the more job ready (78 percent) (see fig. 4.2). The skill level of these jobs also tended to be lower, with 23 percent of the less job ready getting jobs at a moderate or higher skill level, compared with 40 percent of the more job ready.[2] Jobs for the less job ready

[2]Information on termination for all three job readiness groups and for demographic groups is contained in app. VII.

Figure 4.3



tended to pay somewhat less on average ($4.25 per hour) than jobs for the more job ready ($4.44 per hour), although this difference was not statistically significant. As would be expected, moderate or higher skill jobs generally offered higher wages than lower skill jobs.

Within demographic groups, the percentages obtaining employment varied. For example, youth aged 15 to 17 and dropouts, many of whom were among the less job ready, were less likely than average to be placed in jobs or to experience other positive outcomes (see fig. 4.3). The jobs obtained were often at wages below the average of $4.36 per hour or at lower skill levels. Overall, males were more likely than females to obtain jobs and get higher wages. Black males were just as likely as

others to obtain jobs, but starting wages for black males averaged $4.24 per hour and about 24 percent of black males got moderate or higher skill jobs. For other male participants, wages averaged $4.57 and the placement rate in moderate or higher skill jobs was 34 percent.

Outcomes Varied by Services Received

Most out-of-school youth who received occupational training and were placed in jobs obtained jobs at the same skill level as their training. This was true for each job readiness group. Overall, the less job ready were less likely to be placed, but among those placed, those receiving moderate or higher skill training were likely to obtain moderate or higher skill jobs.[3] In general, these moderate and higher skill jobs offered higher wages than lower skill jobs.

Because participants were not randomly assigned to receive higher or moderate skill training, we cannot conclude with any certainty that the level of training itself was the major factor in job outcomes. Differences in such characteristics as motivation or personal appearance, for example, may explain why some youth received higher or moderate skill training and others with a similar degree of job readiness received lower skill training. Nevertheless, our data do indicate a possible relationship between the skill level of job placement and the skill level of training. This outcome for youth is similar to that reported for adults.

Overall, the rate of positive outcomes was at least 70 percent for out-of-school youth regardless of the kind of service they received, but the rate of job placement varied. Over three-fourths of those receiving only job search assistance were placed,[4] and about 70 percent of those in occupational training also got jobs. Nonoccupational training is designed to give participants basic education and work skills and does not necessarily aim at immediate job placement. Only about half the out-of-school youth in nonoccupational training were placed in jobs, but many achieved youth competencies or other positive terminations (see fig. 4.4).

[3]App. VIII compares the skill level of occupational training with the skill level of the jobs participants obtained.

[4]Some practitioners believe that this placement figure may be explained by the practice of some SDAs counting individuals receiving only job search assistance as enrollees only after they have been placed in a job, thus increasing the percentage of participants placed.

Figure 4.4

GAO Outcomes for Different Types of Training

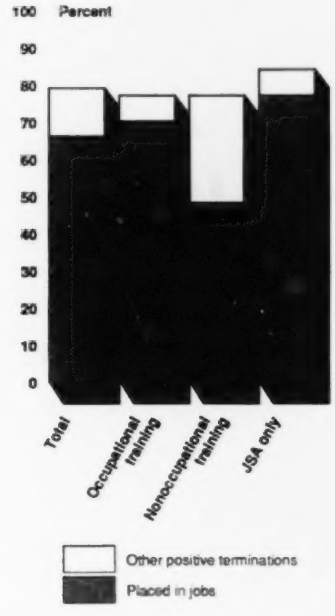
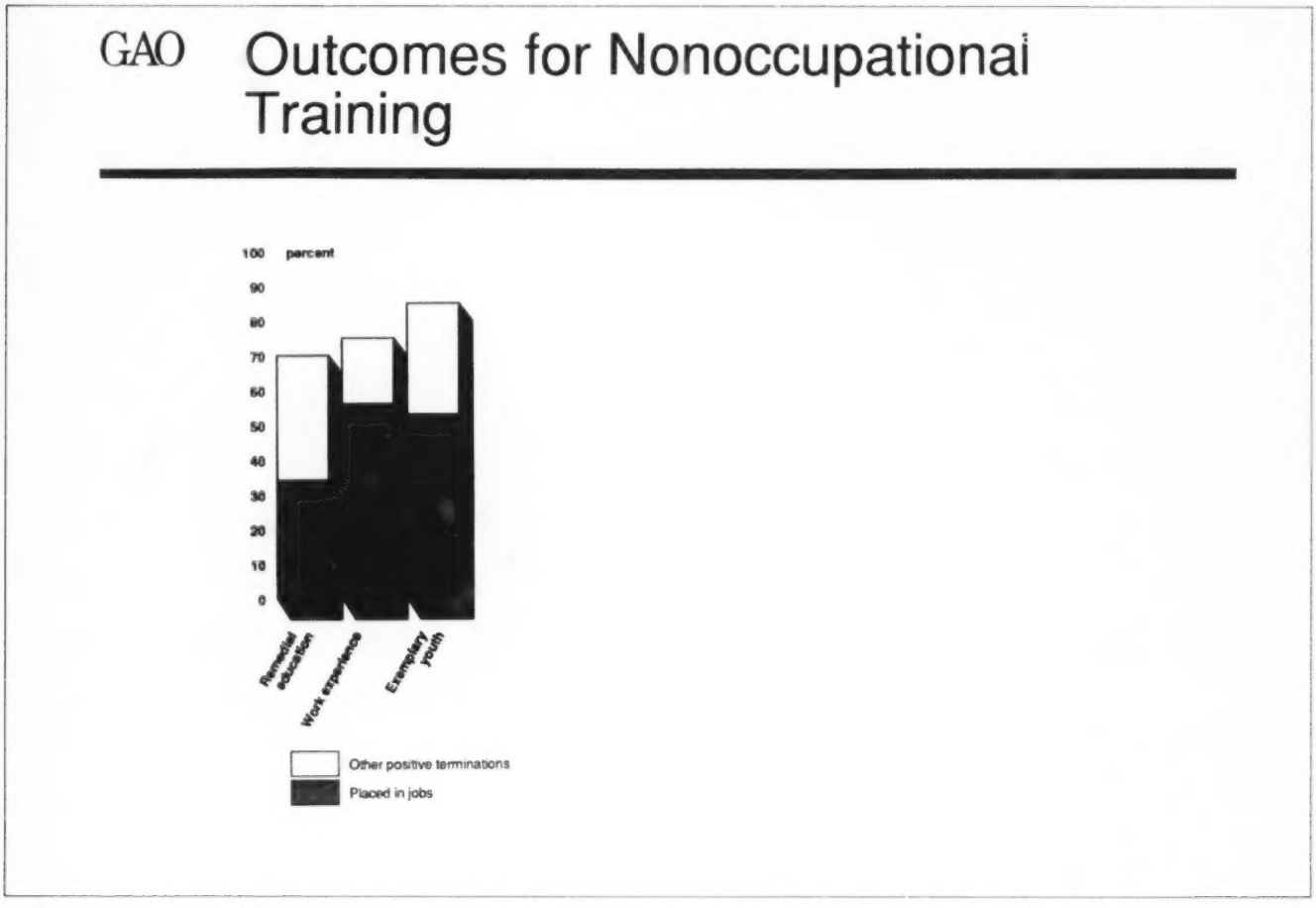


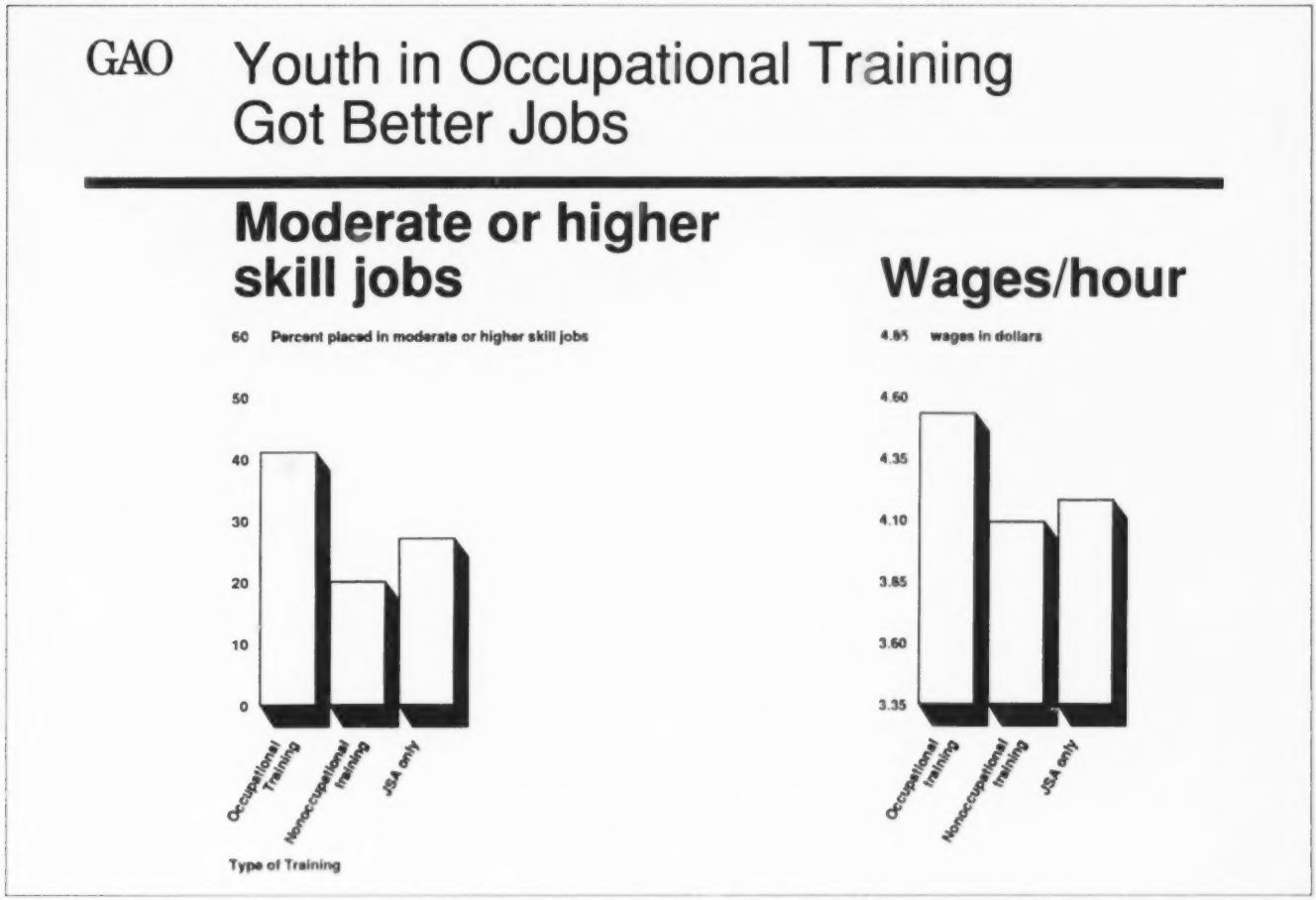
Figure 4.5



Among youth in nonoccupational training, those receiving remedial education were least likely to gain employment. As figure 4.5 illustrates, about a third of those in remedial education were placed in jobs, compared with over half the youth in exemplary youth programs or work experience. Although youth in remedial education often obtained other positive outcomes, the total for positive terminations was lower than for youth in other types of nonoccupational training.

Youth in occupational training were more likely to get moderate or higher skill jobs, at higher wages, than were youth who got nonoccupational training or job search assistance only (see fig. 4.6). Over half the

Figure 4.6



youth in occupational training who obtained jobs were placed in moderate or higher skill positions, compared with a third of those who got jobs after receiving job search assistance only.

Outcomes Meet JTPA Standards

On a national basis, JTPA meets the youth standards set by Labor for positive outcomes and exceeds it for job placements. These national standards for youth, which are revised periodically and which states may adjust to account for local economic conditions, are written for all

youth, not just those who are out of school.[5] For program year 1985, the standard specified that 82 percent of JTPA youth participants should achieve positive terminations, including 41 percent placed in jobs. According to our analysis, 82 percent did experience positive terminations, including 56 percent placed in jobs.[6]

[5]Information on outcomes for in-school youth is included in app. I.

[6]In program year 1985, the definition of positive terminations did not include attaining youth competencies, but in the next year the definition was amended to include this category. The 82 percent we report for positive terminations in 1985 includes those who terminated after attaining youth competencies.

Comparison of In-School and Out-of-School JTPA Youth Participants: Characteristics, Services Received, and Outcomes

Figures in percents (except wages/hours)

	Total JTPA youth participants	In school	Out of school
Characteristic:			
Total[a]	100	36	64
Age:			
15-17	35	74	14
18-21	65	26	86
Sex:			
Males	50	51	50
Females	50	49	50
Job readiness:			
Less job ready	[b]	[b]	36
Intermediate job ready	[b]	[b]	29
More job ready	[b]	[b]	35
Race:			
White	49	52	47
Black	34	31	36
Minority (Total)	51	48	53
School dropout	27	0	42
Welfare	24	25	24
Single parent/dependent child	11	3	15
Lacking recent work experience	78	88	72
Services received:			
Occupational training	38	12	53
Classroom training	18	6	25
On-the-job training	21	7	29
Skill level of all occupational training:			
Higher	7	2	10
Moderate	17	4	25
Lower	12	6	16
Nonoccupational training	44	75	26
Remedial education	10	5	12
Work experience	11	17	8
Exemplary youth	24	55	7
Job search assistance only	18	13	21

(continued)

	Total JTPA youth participants	In school	Out of school
Positive terminations:			
Employment	56	36	66
Wages/hour	$4 20	$3 66	$4 36
Skill level of job			
Higher	5	2	7
Moderate	21	12	25
Lower	30	23	34
Entered school or training, or completed school	8	14	5
Attained prescribed competencies	18	35	8
Total positive terminations	**82**	**85**	**79**

[a]Figures may not add to totals because of rounding or because some participants received duplicate services and some received unspecified other services.

[b]Not applicable.

Labor Market Success of Job Readiness Groups in the Eligible Population

Labor market outcome	Total	Job readiness		
		More	Inter.	Less
Average annual earnings				
1st year	$1,024	$1,720	$743	$445
2nd year	2,383	3,329	2,376	1,094
Average weeks worked				
1st year	10	18	7	5
2nd year	18	25	16	9

Source: Current Population Survey (1983/84, 1984/85)

Comparison of Employment Factors and Demographics for Out-of-School JTPA Youth Participants and Eligible Population

Figures in percents

	Totals		Job readiness					
			More		Intermediate		Less	
	JTPA participants	Eligible population	JTPA participants	Eligible population	JTPA participants	Eligible population	JTPA participants	Eligible population
Factor:								
Minority	53	46	17	8	58	56	84	76
Single parent	15	18	2	2	7	5	36	49
Welfare	24	17	2	2	9	5	58	44
Dropout	42	40	12	7	42	41	71	73
No recent work experience	72	82	37	57	84	93	96	98
Demographic data:								
Sex								
Male	50	39	56	45	53	45	39	28
Female	50	61	44	55	47	55	61	72
Percent in job readiness group	•	•	**35**	**34**	**29**	**33**	**36**	**33**

Source: Data for eligible population taken from Current Population Survey (March 1985 Supplement)

Characteristics of Out-of-School JTPA Youth Participants

Figures in percents

	Age in years		School dropout	Welfare recipient	Single parent with dep. child	Lacking recent work experience	Job readiness		
	15-17	18-21					Less	Inter.	More
Total	**14**	**86**	**42**	**24**	**15**	**72**	**36**	**29**	**35**
Sex:									
Males	15	85	46	15	3	70	28	32	40
Females	12	88	38	32	28	74	43	27	30
Race:									
White	12	88	37	18	11	63	12	26	62
Minority	14	86	45	29	20	80	57	32	11
Education:									
School dropouts	28	72	100	30	15	81	61	29	10
High school graduates	4	96	•	20	15	66	18	29	53
Age in years:									
15-17	100	•	84	29	8	86	54	35	11
18-21	•	100	35	23	17	70	33	28	39

Services Provided to Out-of-School JTPA Youth, by Job Readiness and Demographic Groups

Figures in percents

	Occupational training		
	Total[a]	Classroom	OJT
Total	**53**	**25**	**29**
Job readiness:			
Less	40	26	16
Intermediate	49	22	27
More	64	24	42
Sex:			
Males	53	18	36
Females	52	31	23
Race:			
White	60	22	40
Minority	46	27	20
Education:			
School dropouts	40	18	22
High school graduates	62	29	34
Age in years:			
15-17	27	15	13
18-21	57	26	32

Skill level of all occupational training			Nonoccupational training				Job search assistance only
Higher	Moder.	Lower	Total[a]	Remed. educa.	Work exper.	Exemp. youth	
10	25	16	26	12	8	7	21
5	21	12	40	21	9	8	20
8	23	16	28	11	9	8	24
15	27	20	14	5	7	4	22
15	17	19	26	11	8	7	21
6	32	13	27	14	8	7	21
14	26	19	22	10	8	7	18
7	24	14	31	14	8	6	24
7	18	13	42	23	9	10	18
12	30	19	15	4	7	4	23
4	13	9	57	29	11	16	16
11	26	17	22	10	8	5	22

[a]Figures may not add to totals because of rounding or because some participants received duplicate services and some received unspecified other services.

Comparison of Characteristics, Services Received, and Outcomes of Out-of-School JTPA Youth Participants by Race and Sex

Figures in percents (except wages/hour)

	Male			Female		
	White	Black	Hispanic	White	Black	Hispanic
Characteristic:						
Percent of total sample	26	15	7	21	21	7
Age:						
15-17	14	16	20	11	12	14
18-21	86	84	80	89	88	86
Job readiness:						
Less	7	50	56	18	62	58
Intermediate	28	37	33	25	28	27
More	65	13	11	58	10	15
School dropout	41	50	56	33	38	49
Welfare	13	18	19	24	40	32
Single parent/dep. child	3	4	2	21	37	26
Lacking recent work experience	61	79	80	65	81	75
Services received:[a]						
Occupational training	60	36	62	62	41	63
Classroom training	16	17	26	29	28	44
On-the-job training	44	19	38	34	13	21
Skill level of all occupational training:						
Higher	19	6	20	8	4	2
Moderate	18	12	23	35	23	49
Lower	21	16	19	17	11	10
Nonoccupational training	22	36	17	21	35	21
Remedial education	10	14	9	12	16	10
Work experience	8	9	4	8	9	4
Exemplary youth	6	9	5	8	5	6
Job search assistance only	18	28	21	18	24	16
Positive terminations:						
Employment	69	66	70	68	58	62
Wages/hour	$4.51	$4.24	$4.79	$6.12	$4.23	$4.62
Skill level of job:						
Higher	13	4	15	4	2	4
Moderate	21	20	20	30	28	38
Lower	36	42	35	33	28	21
Entered school or training, or completed school	4	5	2	5	5	3
Attained prescribed competencies	8	10	5	6	11	8

[a]Figures may not add to totals because of rounding or because some participants received duplicate services and some received unspecified other services.

Positive Terminations for Out-of-School JTPA Youth Participants by Job Readiness and Demographic Groups

Figures in percents (except wages/hour)

	Employment					Other positive terminations		
			Skill level					
	Placed	Wages/hour	Higher	Moderate	Lower	Attained prescribed competencies	Entered other training or schooling or completed school	Total positive terminations[a]
Total	**66**	**$4.36**	**7**	**25**	**34**	**8**	**5**	**79**
Job readiness:								
Less	54	4.25	4	19	31	12	6	72
Intermediate	65	4.31	7	25	33	9	4	78
More	78	4.44	10	30	38	4	3	84
Sex:								
Males	69	4.47	10	21	38	8	4	81
Females	63	4.24	4	30	30	8	5	76
Race:								
White	69	4.34	9	25	35	7	4	80
Minority	63	4.37	5	26	33	9	4	77
Education:								
School dropouts	54	4.18	5	17	32	13	6	73
High school graduates	75	4.45	8	31	35	5	3	83
Age in years:								
15-17	47	3.89	3	14	30	19	9	75
18-21	69	4.41	8	27	34	7	4	79

[a]Figures may not add to totals because of rounding.

Skill Level of Job Obtained by Skill Level of Training

Figures in percents

Level of training	Percent placed	Level of job obtained: Moderate or higher	Level of job obtained: Lower
Job readiness:			
More:			
Moderate or higher	76	**84**	16
Lower	80	6	**94**
Intermediate:			
Moderate or higher	67	**82**	18
Lower	72	11	**89**
Less:			
Moderate or higher	57	**81**	19
Lower	64	6	**93**
Totals:			
Moderate or higher	**69**	**84**	16
Lower	**73**	7	**93**

Data Supporting Figures in Text

Table IX.1: Data for Figures 1 and 2.1: Comparison of JTPA and Eligible Population

Figures in percents

Job readiness group:	JTPA participants	Eligible population
More	35	34
Intermediate	29	33
Less	36	33

Table IX.2: Data for Figure 3.4: Services Varied for Job Readiness Groups

Figures in percents

Program activity:	More job ready	Intermediate job ready	Less job ready
Occupational training	64	49	40
Nonoccupational training	14	28	40
JSA only	22	24	20

Table IX.3: Data for Figure 3.5: Services Varied for Demographic Groups

Figures in percents

	High school graduates		School dropouts	
Program activity:	White	Black	White	Black
Males:				
JSA only	18	30	18	26
Moderate/higher skill occupational training	46	24	23	13
Nonoccupational training	9	26	42	46
Females:				
JSA only	20	28	12	18
Moderate/higher skill occupational training	48	35	32	15
Nonoccupational training	12	23	39	56

Table IX.4: Data for Figure 4.2: Outcomes for Job Readiness Groups

Figures in percents

Job readiness group:	Placed in jobs	Other positive terminations
Total	66	13
More	78	7
Intermediate	65	13
Less	54	19

Table IX.5: Data for Figure 4.4: Outcomes for Different Types of Training

Figures in percents

Program activity:	Placed in jobs	Other positive terminations
Total	66	13
Occupational training	70	7
Nonoccupational training	48	29
JSA only	77	7

Table IX.6: Data for Figure 4.5: Outcomes for Nonoccupational Training

Figures in percents

Program activity: Nonoccupational training	Placed in jobs	Other positive terminations
Remedial education	34	36
Work experience	56	19
Exemplary youth	53	32

Table IX.7: Data for Figure 4.6: Youth in Occupational Training Got Better Jobs

Program activity:	Percent placed in moderate or higher skilled jobs	Wage/hour
Occupational training	41	$4 53
Nonoccupational training	20	4 09
JSA only	27	4 18

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Related GAO Products

Job Training Partnership Act: Information on Training, Placements, and Wages of Male and Female Participants (GAO/HRD-89-152BR, Sept. 12, 1989).

Job Training Partnership Act: Comments on H.R. 2039, The JTPA Amendments of 1989 (GAO/T-HRD-89-32, June 29, 1989).

Job Training Partnership Act: Services and Outcomes for Participants With Differing Needs (GAO/HRD-89-52, June 9, 1989).

Job Training Partnership Act: Youth Employment Amendments of 1989 (GAO/T-HRD-89-18, May 11, 1989).

Summer Youth Jobs Program: Congressional Action Has Increased Emphasis on Remedial Education (GAO/HRD-88-118, Sept. 30, 1988).

Job Training Partnership Act: Participants, Services, and Outcomes (GAO/T-HRD-88-31, Sept. 29, 1988).

Job Training Partnership Act: Summer Youth Programs Increase Emphasis on Education (GAO/HRD-87-101BR, June 30, 1987).

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